

Message Text

CONFIDENTIAL

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 FEA-02 OMB-01

SWF-02 OIC-04 DRC-01 /175 W
----- 021083

R 022254Z AY 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 2512

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY QUITO

AMCONSUL GUAYAQUIL

AEMBASSY BRASILIA 296

C O N F I D E N T I A L BOGOTA 3772

E.O. 11652: NA

TAGS: EAGR CO

SUBJ: BANANA EXPORT TAX

REF: BOGOTA 3325

1. GOC HAS STILL NOT IMPLEMENTED 40 CENTS/BOX EXPORT TAX
ON BANANAS APPARENTLY AS A RESULT OF THE FAILURE OF THE
EXPORT JUNTA TO MEET AS SCHEDULED ON TUESDAY APRIL 30
AND ISSUE THE NECESSARY RESOLUTION SO THAT THE TAX
COULD BE EFFECTIVE MAY 1. THE RESOLUTION ESTABLISHING
THIS TAX IS EXPECTED TO BE ISSUED AT THE JUNTAS NEXT
MEETING ON MAY 7.

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2. ACCORDING TO LOCAL UNITED BRANDS REPRESENTATIVE GEORGE FERNANDEZ HIS COMPANY ON ORDERS FROM BOSTON PLANS TO FIGHT THE TAX IN COLOMBIA. AS SOON AS THE TAX IS ESTABLISHED ALL EXPORT CONTRACTS WITH PRODUCERS (WHO ARE THE EXPORTERS IN COLOMBIA) WILL BE SUSPENDED IN AN ATTEMPT TO PRESSURE THE GOC INTO ACCEPTING A LOWER TAX IN THE 15-20 CENT/BOX RANGE. THESE CONTRACTS ARE WITH A UNITED BRANDS SUBSIDIARY IN HOLLAND. UNITED BRANDS IN COLOMBIA ONLY PROVIDES TECHNICAL ASSISTANCE AND MARKETING SERVICES.

3. HE ADDED THAT THIS TACTIC HAS BEEN USED SUCCESSFULLY IN COSTA RICA AND HONDURAS WITH THE RESULT THAT THESE TWO COUNTRIES HAD AGREED TO IMPOSE A TAX OF ONLY 50 CENTS/BOX INSTEAD OF \$1.00/BOX. ONLY PANAMA, HE SAID, IS PRESENTLY HOLDING TO THE \$1.00/BOX TAX AND HE EXPECTED SHIPMENTS FROM PANAMA TO BE REDUCED IN THE NEAR FUTURE.
VAKY

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANANAS, BUSINESS FIRMS, CUSTOMS DUTIES, EXPORTS, JUNTA, MEETINGS, PRICES, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 02 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
Errors: n/a
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From: BOGOTA
Handling Restrictions: n/a
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Original Classification: CONFIDENTIAL
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Review Comment: n/a
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Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by cunninfx>; APPROVED <13 JAN 2003 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971030
Subject: BANANA EXPORT TAX
TAGS: EAGR, CO, UNITED BRANDS, (FERNANDEZ, GEORGE)
To: STATE INFO GUATEMALA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005